

## IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM[495]

### Notice of Intended Action

**Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)"b."**

**Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.**

Pursuant to the authority of Iowa Code sections 97B.4 and 97B.15, the Iowa Public Employees' Retirement System (IPERS) hereby gives Notice of Intended Action to amend Chapter 2, "Investment Board," Chapter 4, "Employers," Chapter 6, "Covered Wages," Chapter 7, "Service Credit and Vesting Status," Chapter 8, "Service Purchases," Chapter 13, "Disability for Regular and Special Service Members," Chapter 14, "Death Benefits and Beneficiaries," and Chapter 15, "Dividends," Iowa Administrative Code.

The proposed amendments implement provisions of 2008 Iowa Acts, Senate File 2424, which requires the amendment or adoption of various sections: removing the 0.4 percent cap on management expenses for investments; adjusting contribution rates for members by IPERS staff based on actuarial valuation; adding new employee classes to IPERS protection occupation class; eliminating bonuses and allowances except for legislative pay; providing service credit at no cost to members of the military who served in a combat zone or hazardous area and received a service-related injury or disease that resulted in the member's death within two years after suffering the injury or disease; expanding choices for buying service time for IPERS members, including new "buy up" service purchase provisions for members who have a mixture of regular and special service credit; clarifying eligibility for disability benefit payments for regular class members; increasing the amount payable to custodians for minors who are beneficiaries to coordinate with other Iowa Code provisions; allowing nonspouse beneficiaries to roll over a deceased member's death benefit to a Roth IRA as an acceptable vehicle for IPERS lump sum distributions; and clarifying that November dividend adjustments will not be made unless statutory contribution rates meet or exceed the actuarially required rate for that fiscal year.

Previously, Iowa Code chapter 97B and administrative rules identified certain types of service as nonqualified service (e.g., employment with a qualified Canadian governmental entity or with the Peace Corps). Effective July 1, 2008, nonqualified service credit is not required to be linked to employment at all and is limited in the aggregate to 20 quarters. Therefore, references to specific categories of nonqualified service are eliminated.

Additional proposed amendments remove provisions for employer-mandated reductions in hours because the time for that program has expired; remove provisions for patient advocate service purchases because the time for that program has also expired; and remove outdated law citations and update corresponding implementation clauses.

These amendments were prepared after consultation with IPERS administration, Benefits Advisory Committee, investment, legal, operations and benefits divisions.

Waiver provisions are not included in the proposed amendments; however, the amendments are subject to the normal IPERS appeal process.

Any person may make written suggestions or comments on the proposed amendments on or before August 5, 2008. Such written suggestions or comments should be directed to the IPERS Administrative Rules Coordinator at IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117. Persons who wish to present their comments orally may contact the IPERS Administrative Rules Coordinator at (515)281-3081. Comments may also be submitted by fax to (515)281-0045 or by E-mail to [adminrule@ipers.org](mailto:adminrule@ipers.org).

A public hearing will be held on August 5, 2008, at 9 a.m. at IPERS, 7401 Register Drive, Des Moines, Iowa, at which time persons may present their views either orally or in writing. Persons who attend the

hearing will be asked to give their names and addresses for the record and to confine their remarks to the subject matter of the amendments.

These amendments were also Adopted and Filed Emergency and are published herein as **ARC 6976B**. The content of that submission is incorporated by reference.

These amendments are intended to implement Iowa Code sections 97B.4 and 97B.15.